Personal Accident Expense Plan

ACCIDENT EXPENSE INSURANCE POLICY

Plan Benefits

• Emergency Treatment
• Initial Hospitalization
• Hospital Confinement
• Specific-Sum Injuries
• Accidental-Death
• Wellness
• Plus ... much more

Without it, no insurance is complete.
ACCIDENT EMERGENCY TREATMENT BENEFIT

AFLAC will pay $120 for the insured and the spouse, and $70 for children if a covered person receives treatment for injuries sustained in a covered accident. This benefit is payable for treatment by a physician, for X-rays or for treatment received in a hospital emergency room. Treatment must be received within 72 hours of the accident for benefits to be payable. This benefit is payable once each 24-hour period per covered accident per covered person.

ACCIDENT FOLLOW-UP TREATMENT BENEFIT

AFLAC will pay $25 per treatment per day for up to a maximum of six treatments per covered accident per covered person for follow-up treatment received for injuries sustained in a covered accident. Treatment must be over and above emergency treatment administered in the first 72 hours following the accident and must begin within 30 days of the covered accident or discharge from the hospital. Treatment must be furnished by a physician in a physician’s office or in a hospital on an outpatient basis. This benefit is not payable for the same visit that the Physical Therapy Benefit is paid.

INITIAL ACCIDENT HOSPITALIZATION BENEFIT

AFLAC will pay $1,000 if a covered person requires hospital confinement for injuries sustained in a covered accident. This benefit is payable only once per hospital confinement* and only once per calendar year per covered person.

ACCIDENT HOSPITAL CONFINEMENT BENEFIT

AFLAC will pay $200 per day if a covered person requires hospital confinement* for treatment of injuries sustained in a covered accident. This benefit is payable up to 365 days per covered accident per covered person.

INTENSIVE CARE CONFINEMENT BENEFIT

AFLAC will pay an additional $400 per day if a covered person is receiving the Hospital Confinement Benefit* and requires confinement in an intensive care unit. This benefit is payable up to 15 days per covered accident per covered person.

ACCIDENT SPECIFIC-SUM INJURIES BENEFIT

AFLAC will pay $25 – $10,000 for:

- Burns
- Fractures
- Dislocations
- Internal Injuries
- Skin Grafts
- Eye Injuries
- Ruptured Discs
- Lacerations
- Broken Teeth
- Torn Rotator Cuffs
- Concussions
- Comas
- Paralyses
- Tendons & Ligaments
- Exploratory Surgeries
- Partial Amputations
- Torn Knee Cartilages

Death, dismemberment or injury must be independent of disease or bodily infirmity or of any other cause other than a covered accident. We will pay for no more than two dislocations per covered accident per covered person. For dislocations reduced by local anesthesia or no anesthesia by a physician, we will pay 25% of the amount shown for the closed reduction dislocation. Benefits are payable for only the first dislocation of a joint. Torn, ruptured or severed tendons, ligaments, ruptured discs and torn knee cartilages must be treated by a physician and repaired through surgery within one year of the covered accident. Burns must be treated within 72 hours after the accident by a physician. Lacerations requiring sutures must be repaired within 72 hours after the accident under the attendance of a physician. Only the highest single benefit will be paid for injuries sustained in a covered accident. For chip fractures and other fractures not reduced by open or closed reduction, we will pay 25% of the benefit amount shown for closed reduction. Chip fractures must be diagnosed within 14 days by X-ray. We will pay for no more than two fractures per covered accident per covered person. Concussions must result in electroencephalogram abnormality for benefit to be payable. Partial amputations of fingers or toes must include at least one joint. Coma durations must be at least 30 days. The paralyses benefit is payable for spinal cord injuries received in a covered accident that result in complete and total loss of use of two or more limbs for a period of not less than three months, and the loss must be confirmed by a physician. See Policy Schedule for specific amounts.

*Hospital confinement is defined as a 24-hour overnight stay of a covered person confined to a hospital as an inpatient for which a charge is made. The confinement must be on the advice of a physician and medically necessary. Benefits are also payable for confinement in hospitals operated by or for the United States government. Confinement must start within 30 days of the accident.

This brochure is for illustration purposes only.
ACCIDENTAL-DEATH AND DISMEMBERMENT BENEFIT

AFLAC will pay the following benefit for death if it is the result of injuries sustained in a covered accident:

<table>
<thead>
<tr>
<th>Category</th>
<th>Insured</th>
<th>Spouse</th>
<th>Child</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common-Carrier Accidents</td>
<td>$100,000</td>
<td>$50,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Other Accidents</td>
<td>$25,000</td>
<td>$10,000</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

AFLAC will pay the applicable lump-sum benefit indicated below for dismemberment due to a covered accident. Only the largest benefit will be paid for any one accident.

<table>
<thead>
<tr>
<th>Category</th>
<th>Insured</th>
<th>Spouse</th>
<th>Child</th>
</tr>
</thead>
<tbody>
<tr>
<td>Both arms and both legs</td>
<td>$25,000</td>
<td>$10,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Two eyes, feet, hands, arms or legs</td>
<td>$25,000</td>
<td>$10,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>One eye, hand, foot, arm or leg</td>
<td>$6,250</td>
<td>$2,500</td>
<td>$1,250</td>
</tr>
<tr>
<td>One or more fingers and/or one or more toes</td>
<td>$1,250</td>
<td>$500</td>
<td>$250</td>
</tr>
</tbody>
</table>

Death or dismemberment must occur within 90 days of the accident. Only the highest single benefit per covered person will be paid for accidental dismemberment. Benefits will be paid only once for any covered accident. If death and dismemberment result from the same accident, only the Accidental-Death Benefit will be paid. Loss of use does not constitute dismemberment except for eye injuries resulting in loss of the eye or permanent loss of 80% of vision. Death, dismemberment or injury must be independent of disease or bodily infirmity or of any other cause other than a covered accident.

PHYSICAL THERAPY BENEFIT

AFLAC will pay $25 for one treatment per day for up to a maximum of six treatments per covered accident per covered person if a covered person receives emergency treatment for injuries sustained in a covered accident and later a physician advises the person to seek treatment from a physical therapist. Physical therapy must be for injuries sustained in a covered accident and must start within 30 days of the covered accident or discharge from the hospital. Treatment must take place within six months after the accident. This benefit is not payable for the same visit that the Accident Follow-Up Treatment Benefit is paid.

PROSTHESIS BENEFIT AND APPLIANCE BENEFIT

AFLAC will pay $500 if a covered person requires the use of a prosthetic device as a result of injuries sustained in a covered accident. This benefit is payable only once per covered accident per covered person and is not payable for hearing aids, wigs or any dental aids, to include false teeth. AFLAC will pay $100 if a physician advises a covered person to use a medical appliance as an aid in personal locomotion as the result of injuries sustained in a covered accident. Benefits are payable for crutches, wheelchairs, leg braces, back braces and walkers. Prostheses and appliance Benefits are each payable only once per covered accident per covered person.

BLOOD AND PLASMA BENEFIT

AFLAC will pay $100 if a covered person requires blood and/or plasma for the treatment of injuries sustained in a covered accident. This benefit is not payable for immunoglobulins and is payable only once per covered accident per covered person.

AMBULANCE BENEFIT

AFLAC will pay $100 for ground ambulance transportation or $500 for air ambulance transportation if a covered person requires transportation by a licensed professional ambulance service to a hospital or emergency center for injuries sustained in a covered accident. Transportation must occur within 72 hours of the covered accident.

TRANSPORTATION BENEFIT

AFLAC will pay $300 per trip to the hospital if a covered person requires special treatment and confinement* in a hospital located more than 100 miles from the covered person’s residence or site of the accident for injuries sustained in a covered accident. This benefit will be paid only for the covered person for whom the treatment is prescribed; or if the treatment is for a dependent child and commercial travel is necessary, the dependent child’s parent or legal guardian who travels with the child will also receive this benefit. Only one person will be paid to travel with the dependent child. The local attending physician must prescribe the treatment, and the treatment must not be available locally. This benefit is payable for up to three trips per calendar year per covered person. This benefit is not payable for transportation by ambulance or air ambulance to the hospital.

FAMILY LODGING BENEFIT

AFLAC will pay $100 per night for one motel/hotel room for a member of the immediate family to accompany the covered person if treatment of injuries sustained in a covered accident requires hospital confinement* and if the hospital and motel/hotel are more than 100 miles from the residence of the covered person. This benefit is payable up to 30 days per accident and only during the time the injured covered person is confined in the hospital.
WELLNESS BENEFIT

After 12 months of paid premium and while coverage is in force, AFLAC will pay $60 for you or any one family member to undergo routine examinations or other preventive tests. Benefits include and are payable for annual physical exams, mammograms, Pap smears, eye examinations, immunizations, flexible sigmoidoscopies, prostatic specific antigens (PSAs), ultrasounds and blood screenings. Services must incur a charge and be supervised or recommended by a physician. This benefit is payable only once each 12-month period. Family members include your spouse and the dependent children of you or your spouse. This benefit will become available following each anniversary of this policy’s effective date.

CONTINUATION OF COVERAGE BENEFIT

If you are paying your premiums through payroll deduction and leave your employer for any reason after your policy has been in force for six months and AFLAC has received premiums for six consecutive months, AFLAC will waive all monthly premiums due for the policy and riders, if any, up to the date your premium payments are re-established. You or your employer must notify us in writing within 30 days of the date your premium payments cease due to your leaving employment. For you to take advantage of this benefit, you must re-establish premium payments within two months from the date you left the employer who was remitting your premiums. You can re-establish your premium payments through your new employer’s payroll deduction process or direct payment to AFLAC. This benefit will again become available once you have re-established your premium payments through an employer’s payroll deduction process for a period of six months and AFLAC has received premiums for six consecutive months. Payroll deduction means your premium is remitted to AFLAC for you by your employer through a payroll deduction process.

GUARANTEED-RENEWABLE

This policy is guaranteed-renewable for life subject to AFLAC’s right to change premium rates for all policies of this class.

EFFECTIVE DATE

The effective date of this policy will be the date shown on the Policy Schedule, not the date the application is signed. Payroll rate may be retained after one month’s premium payment on payroll deduction.

FAMILY COVERAGE

Family coverage includes the insured; the insured’s spouse; and dependent, unmarried children to age 19 (23 if full-time students). Newborn children are automatically insured as any other family member. One-parent family includes the insured and all dependent children who are unmarried and under age 19 (23 if full-time students). Children born to dependent children of the insured or the insured’s spouse are covered under the policy if they qualify as a legal dependent for tax exemption purposes under the United States Internal Revenue Service Tax Code. Children for whom you must provide medical support under a court order are also covered under the terms of the policy.

WHAT IS NOT COVERED

Benefits will not be paid for services rendered by a member of the immediate family of a covered person. We will not pay benefits for an accident or sickness that is caused by or occurs as a result of a covered person’s:

- Participating in any activity or event, including the operation of a vehicle, while under the influence of a controlled substance (unless administered by a physician or taken according to physician’s instructions) or while intoxicated (intoxicated means that condition as defined by the law of the jurisdiction in which the accident occurred);
- Driving any taxi for wage, compensation or profit;
- Mountaineering using ropes and/or other equipment, parachuting or hang gliding;
- Participating in any illegal activity that is defined as a felony (a felony is defined by law of the jurisdiction in which the activity takes place), or being incarcerated in any type penal institution;
- Intentionally self-inflicting bodily injury or attempting suicide, while sane or insane;
- Having cosmetic surgery or other elective procedures that are not medically necessary, or having dental treatment except as a result of injury;
- Being exposed to war or any act of war, declared or undeclared, or serving in any of the armed forces;
- Participating in any form of flight aviation other than as a fare-paying passenger in a fully licensed passenger-carrying aircraft;
- Participating in any sport or activity for wage, compensation or profit, or racing any type vehicle in an organized event.

Any premium due and unpaid may be deducted from a claim payment. If a covered person under this policy is eligible for and receives medical assistance from the Texas Department of Human Resources, the benefits payable under this policy shall be paid to that agency. The amount of the benefits payable to the Texas Department of Human Resources shall be the actual medical expenses paid by the agency on behalf of the insured, subject to any benefit limitations provided by the policy. The payments will be made after receipt by AFLAC of a notice of assignment of benefits from the Texas Department of Human Resources.

All benefits paid on behalf of the child or children under the policy must be paid to the Texas Department of Human Resources whenever: (1) the Texas Department of Human Services is paying benefits under the Human Resources Code, Chapter 31 or 32, and (2) the parent who purchased the individual policy has possession or access to the child pursuant to a court order, or is not entitled to access or possession of the child and is required by a court order to pay child support.

Benefits are not payable while coverage is not in force.

Note: The term hospital does not include any institution or part thereof used as a hospice unit, including any bed designated as a hospice or a swing bed; a convalescent home; a rest or nursing facility; an extended-care facility; a skilled nursing facility; or a facility primarily affording custodial or educational care, care or treatment for persons suffering from mental disease or disorders, care for the aged, or care for persons addicted to drugs or alcohol.

Refer to policy and riders for complete details, limitations and exclusions.
Accident Facts

- Unintentional injuries are the leading cause of death for persons ages 1 to 33 and the fifth leading cause of death overall.
- Slightly more than 27% of all injuries resulting in emergency department visits occurred at home, the most common place of injury.
- There is an unintentional-injury-related death every six minutes.
- In 1996 about 39% of all hospital emergency room visits in the United States were injury-related.


AFLAC’s Personal Accident Expense Plan is designed to help cover the expenses associated with an accidental injury. It pays you directly, unless you assign the benefits, regardless of any other insurance you may have.
AFLAC, the insurance industry leader in cafeteria plan services, is...

- A Fortune 500 company with assets exceeding $37 billion insuring more than 40 million people worldwide.
- Rated “AA" in insurer financial strength by Standard & Poor’s (December 1999), “Aa3 (Excellent)” in insurer financial strength by Moody’s Investors Service (September 1999), “A+ (Superior)” by A.M. Best (June 1999) and “AA" in claims-paying ability by Duff & Phelps (January 2000).**
- A world leader in supplemental insurance with more than 150,000 national payroll accounts.
- Number one in guaranteed-renewable accident and cancer insurance sales.
- Outstanding in claimant recommendations as validated by an Opinion Research Corporation poll indicating that 9 out of 10 claimants agree that AFLAC paid their claims fairly and promptly, and they would recommend our cancer products to others (July 1999).
- Uncompromising in fast, efficient service. Our toll-free line puts you in touch with a decision-maker immediately.
- Named by Fortune the best insurance company to work for (January 2000).

* Employers Council on Flexible Compensation (ECFC), 3/00
** Ratings refer only to the overall financial status of AFLAC and are not recommendations of specific policy provisions, rates or practices.